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LETTER DATED 5 JUNE 1997 FROM THE PERMANENT REPRESENTATIVE OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

I have the honour to draw to your attention the conclusions of the Ministerial Meeting of the Steering Board of the Peace Implementation Council, which met at Sintra, Portugal, on 30 May 1997 (see annex).

I would be grateful if you could have the present letter and its annex circulated as a document of the Security Council.

(Signed) John WESTON

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Annex

**OFFICE OF
THE HIGH REPRESENTATIVE**

**Political Declaration from Ministerial Meeting
of the Steering Board of the Peace Implementation Council
Sintra, 30 May, 1997**

1. The Steering Board of the Peace Implementation Council met in Sintra 30 May 1997, at Foreign Ministerial level, to review progress in the implementation of the Peace Agreement for Bosnia and Herzegovina in light of the conclusions of its meeting in Paris 14 November 1996, and the guidelines from the Peace Implementation Council meeting in London 4-5 December 1996.

2. The Steering Board unequivocally reaffirmed its support and commitment to full implementation of the General Framework Agreement for Peace in Bosnia and Herzegovina.

3. After 44 months of bitter and brutal war, Bosnia and Herzegovina has now had 18 months of emerging peace. Significant progress has been made during 1996 and the first part of 1997 in realising the goals of the Peace Agreement. However, major problems and challenges remain.

4. In London, the countries of the PIC reaffirmed their willingness to help and assist with the development of Bosnia and Herzegovina, but on the clear condition that all the authorities of the country fulfilled their own binding commitments to move the peace process forward.

5. Having reviewed developments since then, the Steering Board unanimously agreed that all the authorities of Bosnia and Herzegovina are failing to live up fully to their obligations under the Peace Agreement, and that this is unacceptable.

6. The Steering Board wishes to make it clear to the Presidency, the Council of Ministers and the Parliamentary Assembly of Bosnia and Herzegovina, as well as to the Governments and Parliaments of the Federation and the Republika Srpska, that it demands a significant acceleration in their work towards implementing the Peace Agreement.

7. In particular, the Steering Board urges the authorities of Bosnia and Herzegovina and its representatives to stop blaming each other, or the international community, for the problems they encounter, and to work together constructively and in a spirit of reconciliation for their common good.

8. The main responsibility for the future of the country rests with the elected and constitutional representatives of the country. The help they will receive from the international community will be dependent upon the commitment they demonstrate to the Peace Agreement.

Security Co-operation and Arms Control

9. The presence of IFOR and SFOR has brought security to the country and to the region. As the international military presence is gradually scaled down, attention must increasingly focus on long-term security arrangements, both within Bosnia and Herzegovina and in the wider region.

10. The Steering Board confirmed its long-term commitment to the peace process and underlined that the international community will not tolerate a resumption of hostilities by anyone in the country in the future.

11. Security co-operation inside the country is an essential element of security co-operation between Bosnia and Herzegovina and the international community. The Steering Board urged the Presidency of Bosnia and Herzegovina immediately to make operational the Standing Committee on Military Matters. This would facilitate dialogue with the international community on security arrangements within the broader European security structure, for the years to come.

12. Substantial progress has been made in implementing the two stabilisation agreements concluded under the auspices of the OSCE. The Steering Board calls on the parties to work with the OSCE to support full implementation of the Confidence and Security Building Measures, including the Open Skies trial and the Military Doctrine Seminar.

13. Although more than 1,800 heavy arms have been reduced under the arms control agreement, more than double that amount must be reduced this year. The Steering Board calls on all parties to redouble their efforts to this effect.

14. The Steering Board noted the Entities' less than full compliance with the agreement. This is unacceptable and will not be tolerated. The Steering Board is greatly concerned by the failure of Republika Srpska fully to implement its commitments to reduction, as well as by the failure of the Federation to produce the required plan for this purpose.

15. The Steering Board remains concerned about the level of armaments and military spending in the country and in the region. High levels of military and military-related spending in the region, including both the Federation and Republika Srpska, impose a heavy burden on the country and divert financial means from economic reconstruction and essential social spending, such as health and education. The Steering Board calls, and will press, for a significant reduction in military expenditure.

16. The Steering Board is deeply concerned that the authorities have yet to provide the Bosnia and Herzegovina De-mining Commission with material and financial support. It should be provided immediately so that the Commission can start to tackle the extensive de-mining task ahead.

A United Country in a Region of Co-operation

17. Bosnia and Herzegovina will remain as a united and sovereign country, consisting of two multi-ethnic Entities. The international community will not tolerate tendencies, in either of the Entities, to develop patterns of co-operation with neighbouring countries which are inconsistent with the sovereignty and territorial integrity of Bosnia and Herzegovina.

18. The Steering Board underlined that the international community will not tolerate any attempts at partition, de facto or de jure, by anyone.

19. The Constitution allows for special parallel relationships between the Entities of Bosnia and Herzegovina and neighbouring countries. Agreements establishing such relationships are important for facilitating human and other contacts, as well as for fostering co-operation and integration in the region.

20. Agreements with both the Republic of Croatia and the Federal Republic of Yugoslavia should be rapidly aligned with the Constitution of Bosnia and Herzegovina. The Steering Board noted the commitment of the authorities of the Federation and the Republika Srpska, as well as of the Republic of Croatia and the Federal Republic of Yugoslavia, to do so under the guidance and following the legal advice of the High Representative.

21. The Steering Board took note of the regional approach of the European Union, which offers the prospect of bilateral, contractual relations with the EU to Bosnia and Herzegovina, the Federal Republic of Yugoslavia and the Republic of Croatia, and is also conditional on the establishment of co-operative relations between the countries themselves that are compatible with the Peace Agreement.

22. The Federal Republic of Yugoslavia and Bosnia and Herzegovina must fulfil their commitments immediately to establish unconditional, full diplomatic relations and open embassies in Sarajevo and Belgrade.

Full Implementation of the Constitution of Bosnia and Herzegovina

23. Significant progress has been made in the setting up and initial operation of the common state institutions of Bosnia and Herzegovina. The Steering Board is concerned, however, that this has only been possible due to the efforts of the High Representative and his Office.

24. It is imperative that the Presidency, the Council of Ministers and the Parliamentary Assembly meet regularly, that its members put an end to mutual accusations and that they move forward on the key issues of concern to the citizens of their country.

25. Unilateral actions, such as maintaining administrative or other bodies that are unconstitutional, will not be tolerated. This applies to existing institutions of the former Herceg Bosna as well as of the former Republic of Bosnia-Herzegovina.

26. It is of great significance that the external representation of the country, as well as its flags and symbols, are truly representative of the new constitutional order.

27. Accordingly, the Steering Board expects the Presidency of Bosnia and Herzegovina to appoint or confirm the Ambassadors of Bosnia and Herzegovina by 1 August 1997 at the latest. It requests the High Representative to assist in this process.

28. The Steering Board requests the High Representative to take up the matter with the authorities of Bosnia and Herzegovina and to assist them in reaching an agreement. If the matter is not solved by 1 August 1997, the Steering Board will take further steps upon the recommendation of the High Representative, including to deal only with those ambassadors of Bosnia and Herzegovina who represent the new authorities of the united country.

29. The Steering Board also expects a quick decision on the common flag of Bosnia and Herzegovina. After 1 September 1997, the Steering Board will recommend to all countries and organisations that existing flags and symbols will not be recognised as the flags and symbols of the country unless so decided as laid down in the Constitution.

30. As part of the Quick Start Package, the High Representative, in co-operation with the Council of Europe, has presented a proposal for laws on citizenship and passports based on the Peace Agreement and international practice.

31. The Steering Board calls for the speedy approval of these laws by the Council of Ministers and the Parliamentary Assembly. If the laws are not in place by 1 August 1997, the High Representative should recommend action to the Steering Board.

Co-operation on War Crimes

32. Co-operation with the International Criminal Tribunal for former Yugoslavia remains a key part of the process of peace implementation. Although co-operation has improved, the failure to hand over indicted persons remains a matter of grave concern.

33. This applies to Bosnia and Herzegovina, in particular Republika Srpska and parts of the Federation, as well as to the Republic of Croatia and the Federal Republic of Yugoslavia.

34. Of particular concern in this respect is the situation in Republika Srpska, where Mr. Radovan Karadzic continues to influence the political decision-making of the Entity in violation of both the letter and the spirit of previous undertakings.

35. This cannot be accepted. The Steering Board is ready to consider further recommendations from the High Representative on measures which could be taken. It notes the proposal of the High Representative that persons co-operating with, or condoning the role of, indicted persons should be denied visas to travel abroad.

36. The Steering Board supports the High Representative's recommendation in his recent report to the UNSC to deny new economic assistance to those municipalities which continue to tolerate indicted persons working in a public capacity, and will follow this up.

37. The Steering Board is equally concerned with the failure of the Federal Republic of Yugoslavia and the Republic of Croatia to honour their obligations. The presence - either permanent or transitory - of indicted persons on their territory, including a number from Bosnia and Herzegovina, is bound to affect adversely their overall relations with the international community. These countries are also reminded that they are obliged and expected to use their close ties and economic support to help obtain the surrender of indictees, especially in Republika Srpska and the predominantly Croat areas of the Federation.

38. The Steering Board expects the authorities of the Federation and Republika Srpska to implement fully the measures agreed in Rome on 18 February 1996 (the Rules of the Road) by refraining from arresting, or detaining, war crimes suspects except in cases in which ICTY has reviewed the file and found sufficient evidence under international standards.

The Necessity of Economic Reform

39. Without fundamental economic reform which moves away from the practice of a bureaucratic, socialist economic system, the economic and social issues of Bosnia and Herzegovina can never be solved and conditions for the return of refugees will remain problematic.

40. The Steering Board welcomes agreements on all key elements of the economic parts of the Quick Start Package, including the Central Bank Law and the Customs and Foreign Trade Laws. It calls on the Presidency and Parliamentary Assembly to approve these decisions speedily.

41. A Donors' Conference for Bosnia and Herzegovina is planned to be held in Brussels on 24 June 1997 at senior official level. The Steering Board urged continued strong international support for humanitarian and inter-Entity infrastructure projects. For the conference to be held as planned Bosnia and Herzegovina has to reach agreement with the International Monetary Fund. In any case, success at the Donors' Conference and the dispersal of pledged funds depend on progress towards fulfilment of the obligations of the Peace Agreement.

42. The Steering Board urged the authorities of the Entities, in particular, to establish a sound legal and political basis for an open and dynamic free market economy.

43. Of particular importance are the speedy adoption by the Entities of sound schemes for privatisation, and full respect for the single integrated economic space of the country as laid down in the Constitution. The opening up of the country for trade and contact, across all its borders and in all directions, is essential. The Steering Board demands the immediate and unconditional opening of the full border between Bosnia and Herzegovina and Croatia.

44. The Steering Board asks the High Representative to proceed speedily with the preparation of the second package of essential legislation to be presented to the authorities of the country. This should include legislation on frequency management and telecommunications, airspace management, permanent election law, immigration law and permanent law on customs and customs tariffs. The authorities are urged to adopt the package before the meeting of the Peace Implementation Council in December 1997.

Conditionality for Refugee Return

45. Refugees and displaced persons have the right to return to their pre-war homes in a peaceful, orderly and phased manner. Unless and until there is a process under way to enable them to do so, there will be continued instability in Bosnia. Although all the authorities have agreed, as part of the Peace Agreement, to support these returns, none have abided by it in practice. International economic aid is conditional upon compliance with, and implementation of, the Peace Agreement.

46. In particular, assistance for housing and local infrastructure should be dependent on the acceptance of return. The international community is prepared to provide resources to those areas which welcome the return of refugees and displaced persons and co-operate actively in integrating them into local communities. Priority will be given to those municipalities receptive to minority returns and UNHCR's "Open Cities" project. The Reconstruction and Refugee Task Force, chaired by the Office of the High Representative, is asked to intensify its co-ordinating role in this respect.

47. The Steering Board is concerned that Serb refugees must be permitted to return to Drvar. Bosniac authorities need to take concrete steps to facilitate full return to Sarajevo, and Bosniacs and Croats must be able to return to their homes in Brcko, Banja Luka and numerous other cities. All returnees must be allowed to live free of harrassment.

48. Of particular importance is the obligation of both the Federation and Republika Srpska to amend existing property laws. The current laws place insurmountable legal barriers in the path of return, effectively blocking hundreds of thousands of pre-war occupants from returning to their homes.

49. The Steering Board calls for the Federation and Republika Srpska to amend their property laws in order to make the full implementation of Annex 7 of the Peace Agreement possible. International support for housing reconstruction should be conditional upon fulfilment of these obligations.

Public Security

50. Democratic and restructured police forces are essential for the peace process to succeed. The Steering Board expects both Republika Srpska and the Federation to accelerate the process of restructuring their police forces in line with the principles and plans prepared under the guidance of the UN International Police Task Force. The Steering Board fully supports these principles and plans, and agrees that funding should be sought as proposed at the Dublin Conference. It further agreed to continue efforts to provide the full, authorised ceiling of qualified, experienced monitors to the IPTF.

51. Republika Srpska, in particular, is behind in its commitments to restructuring. The Steering Board insists that Republika Srpska implements immediately a restructuring programme in co-operation with the IPTF and according to the guidelines of the Commissioner.

52. The Steering Board insists that the authorities, in both Entities, comply with the conclusions drawn from the UN IPTF reports related to violent incidents in Mostar, Brcko, Gajevi and Drvar.

53. The Steering Board expects the relevant authorities in Bosnia and Herzegovina to take further measures to provide the necessary control and security, based on democratic procedures, to address smuggling, terrorism and crime along its international borders. It calls for co-operation between Bosnia and Herzegovina and its neighbours on these issues.

54. The Steering Board welcomes the additional 120 monitors, authorised by the UNSC, who will significantly assist the investigation of human rights violations. It encourages the IPTF to deploy these monitors to identify individual violators, particularly members of police forces, and to recommend appropriate action.

Human Rights

55. The Steering Board is deeply concerned with a pattern of discrimination and harassment of ethnic minorities throughout the country as described in the reports by the Federation Ombudsmen and the Human Rights Co-ordination Centre of the Office of the High Representative, and with the complacency of responsible authorities in the face of such abuses. The police not only frequently condone violence on ethnic and political grounds, they are often responsible for violations themselves. The legal system remains inadequate to meet this challenge; efforts to ensure adherence to the rule of law must be a priority.

56. The Steering Board demands the governments of Bosnia and Herzegovina, the Federation and Republika Srpska to fulfil their obligations under the Peace Agreement by ensuring full co-operation with the Commission for Real Property Claims and the Commission on Human Rights and providing for effective implementation and enforcement of their decisions.

57. On this matter, the Steering Board asks the High Representative to report to the Peace Implementation Council on compliance with the conclusions of the report submitted to the Florence meeting, and to recommend specific action.

Freedom of Movement, Trade and Communications

58. Freedom of movement throughout Bosnia and Herzegovina is a key provision of the Peace Agreement and the Constitution. No authorities have the right to impede the full freedom of movement of persons, goods, services and capital.

59. The Steering Board fully endorses the IPTF Checkpoint Policy ensuring that no illegal checkpoints impede freedom of movement. It fully supports the determination of the High Representative, the UN-IPTF and Commander SFOR to take the steps necessary to enforce compliance with this policy.

60. Action must be taken to establish a uniform system of car registration throughout the country. After 1 January 1998 only cars with the new number plates, agreed by the authorities of Bosnia and Herzegovina, should be allowed to cross international borders.

61. The telephone systems of the country must be rapidly integrated. The Steering Board expects all authorities to co-operate fully with the efforts and programmes of the European Commission and the European Bank for Reconstruction and Development to this effect. If the authorities do not co-operate fully, the High Representative is asked to recommend appropriate measures to the Steering Board to ensure compliance. As a result of these efforts, integration of the telephone systems will start by 15 July 1997 at the latest.

62. The Steering Board noted that airspace over Bosnia and Herzegovina has been opened to civil air traffic above 33,000 feet. It welcomes the current negotiations with the Federal Republic of Yugoslavia and the Republic of Croatia, under the auspices of Eurocontrol, to apply an appropriate payment mechanism.

63. The Steering Board insists on the need for further progress to be made towards working collectively, and on an equal basis, in the Civil Aviation Authority and opening the regional airports of Mostar, Tuzla and Banja Luka. The Steering Board insists that the authorities of Bosnia and Herzegovina ensure that the Civil Aviation Authority is reconstituted and operational by the end of July. If this action is not undertaken, the Steering Board will recommend that international aviation authorities cease to co-operate with the existing body.

Local elections

64. The Steering Board underlined the importance of the municipal elections to be held 13-14 September 1997 and welcomed OSCE initiatives to ensure high standards and comprehensive supervision of the electoral process. That process will not be complete until elected officials have been installed, and to this effect the Steering Board endorses the concept for election implementation agreed between the OSCE Mission and the Office of the High Representative.

65. The Steering Board is deeply concerned with the funding shortfalls for the OSCE Mission and fully supports efforts to meet the requests of the Personal Representative, former Foreign Minister Agnelli. The Steering Board fully endorsed the actions recommended by the Election Appeals Sub-Commission in response to efforts to disrupt or manipulate the voters' registration process.

Media

66. The promotion of independent media is an essential step for developing democratic institutions. It will be of particular importance in preparing the ground for the elections, in enabling wider access to information and promoting political pluralism. The Steering Board therefore stressed the need to encourage independent publishers and broadcasters.

67. It specifically called for governments to support the second stage of development of the Open Broadcast Network as the best prospect for achieving cross-entity broadcasting and developing a television network under Bosnian management.

68. The aim is to ensure that, by the end of the year, every sizable community in every part of Bosnia has access to independent radio or television reporting. The Steering Board calls upon those governments sponsoring the Open Broadcast Network urgently to draw up a plan to this effect, to be co-ordinated by the Office of the High Representative.

69. The authorities of Bosnia and Herzegovina, the Entities and the common institutions will be expected to give every possible form of practical assistance with respect to licences, frequencies, free access by the High Representative to news media and the ability of the OBN and other independent media to broadcast.

70. The Steering Board is concerned that the media has not done enough to promote freedom of expression and reconciliation. It declared that the High Representative has the right to curtail or suspend any media network or programme whose output is in persistent and blatant contravention of either the spirit or letter of the Peace Agreement.

Brcko Supervision

71. The Steering Board received the first report on the situation in the Brcko area from the Deputy High Representative and Supervisor Mr. Robert William Farrand.

72. The announced procedures for return, which should take into account the interests both of those wishing to return and those wishing to remain, were fully endorsed.

73. The Steering Board expressed its deep concern with the failure of Republika Srpska authorities to safeguard the freedom of movement in the area.

74. Republika Srpska is expected to initiate immediately the process of certification of its police in Brcko.

75. The Steering Board stressed that full co-operation with the Supervisor and his decisions, as well as adherence to all parts of the Peace Agreement, is an essential obligation for both of the Entities, and recalled that any final award by the Arbiter would take fully into account the compliance of the authorities.

76. The Steering Board noted that the Brcko Supervisor, in accordance with the Arbitration Award of 14 February 1997, and following free and fair local elections, "should... issue such regulations and orders as may be appropriate to enhance democratic government and a multi-ethnic administration in the Town of Brcko."

77. The Steering Board noted that the electoral process, beginning with voter registration, will thus create the basis for democratic government and a multi-ethnic administration in Brcko. It is left to the Supervisor to take the necessary measures, based on democratic principles, to ensure that these ends are achieved in the way envisaged by the Award.

78. In order to facilitate the return of refugees and displaced persons to that part of the original Brcko municipality now in Republika Srpska, as well as to safeguard the interests of displaced persons presently in the area, repair of existing housing and infrastructure as well the construction of new housing is essential. The Steering Board urged this to be taken into account at the Donors' Conference.

79. The Steering Board strongly censured the Federation for its failure to co-operate in the Brcko process, particularly for having blocked economic assistance to Brcko, hindering the return of refugees through its failure to accept agreed procedures, and withholding its support for the electoral process.

Succession Negotiations

80. The Steering Board received a report from the Special Negotiator for Succession Issues, Sir Arthur Watts.

81. It noted that a settlement of the numerous succession issues after the break-up of former Yugoslavia is regarded by the international financial institutions to be a prerequisite for the normalisation of their relations with the Federal Republic of Yugoslavia. Economic resources which would, directly or indirectly, be released by a settlement of the succession issues would be of great help to all the countries of the region.

82. The international community has, by the appointment by the High Representative of a Special Negotiator, been ready to assist the parties in their collective effort to reach a settlement, and for the time being is willing to continue this assistance.

83. This, however, is meaningful only if the five states concerned are willing to make the substantial compromises necessary to reach an agreement.

84. The Steering Board is concerned that, so far, this has not fully been the case. It urges the states urgently to seek an agreement on outstanding succession issues within the framework put forward by the Special Negotiator, and to agree, as a first and immediate step, upon certain specific action without waiting for an overall settlement to be reached.

Civilian Funding Shortfalls

85. The Steering Board is concerned with the funding shortfalls for parts of civilian implementation. In particular, this concerns the activities of the Commission for Real Property Claims and the Commission on Human Rights, including the Human Rights Chamber and the Ombudsperson, which are parts of the constitutional structure of Bosnia and Herzegovina.

86. Immediate action is required by the authorities of Bosnia and Herzegovina to provide for the funding of these commissions through the budget of the common institutions of Bosnia and Herzegovina.

87. To enable these commissions to continue their work, the Steering Board will provide and will seek from others supplementary financial assistance for an interim period.

High Representative

88. The Steering Board concluded that the decision in the Peace Agreement to appoint a High Representative, and his decision to establish the Office of the High Representative, have proven essential to the peace process.

89. The Steering Board praised Mr Carl Bildt for his outstanding performance as High Representative in the period following the signature of the Peace Agreement. Significant progress has been made in the many areas critical to the implementation of the Peace Agreement; none of it would have been possible without the active efforts of the High Representative.

90. The Steering Board nominated Mr. Carlos Westendorp to serve as new High Representative from 20 June 1997. It gives him its wholehearted support and asks the United Nations Security Council to endorse his nomination.

91. The Steering Board urged all the members of the Peace Implementation Council to continue to support the work of the High Representative through the secondment of personnel to his office.

Consolidation Period

92. The Steering Board asks the High Representative to supply for its consideration a list of shortcomings or non-compliance by the authorities in Bosnia and Herzegovina in the implementation of the Peace Agreement, and to recommend specific action to be taken by the international community in each case.

93. The Steering Board accepted the invitation to hold the next full meeting of the Peace Implementation Council in Germany in December 1997.

Concluding Remark

94. The Steering Board recorded its sincere thanks to the Portuguese government for hosting and facilitating this meeting.